

MARCH 8, 1976

# THE U.S. AND CORPORATE BRIBES

ANNCR: THE UNITED STATES HAS PROPOSED AN INTERNATIONAL AGREEMENT TO CURB THE PRACTICE OF BRIDERY BY MULTINATIONAL BUSINESS CORPORATIONS---AND THE RECEIVING OF THOSE BRIBES BY PUBLIC OFFICIALS OF THE COUNTRIES INVOLVED. VOA NEWS ANALYST RONALD J. DUNLAVEY TAKES A LOOK AT THE AMERICAN PROPOSALS:

VOICE:

A LEADING AMERICAN AIRPLANE MANUFACTURER---THE LOCKHEED CORPORATION---RECENTLY DISCLOSED THAT SOME OF ITS OFFICIALS HAD PAID SUBSTANTIAL BRIBES TO FOREIGN OFFICIALS IN RETURN FOR PREFERENTIAL TREATMENT. THE ADMISSIONS TOUCHED OFF A POLITICAL STORM IN SUCH COUNTRIES AS JAPAN, ITALY, TURKEY AND THE NETHERLANDS. AND THERE WAS CONCERN IN THE UNITED STATES, WHERE PRESIDENT FORD ISSUED A STATEMENT EARLY IN FEBRUARY CONDEMNING SUCH PRACTICES AND ORDERING A REVIEW OF SUCH CORPORATE ACTIVITIES.

AS A RESULT OF THAT REVIEW, WASHINGTON AGREED LAST WEEK TO PROVIDE CERTAIN FOREIGN GOVERNMENTS WITH THE NAMES OF PERSONS INVOLVED IN THE ALLEGED PAYOFFS---ON CONDITION THAT THEY ARE KEPT SECRET UNLESS REVEALED IN CRIMINAL PROSECUTIONS. BUT MORE THAN THAT, IT WAS ANNOUNCED THAT THE UNITED STATES WILL SEEK AN INTERNATIONAL AGREEMENT ESTABLISHING PROCEDURES WHICH WOULD PREVENT CORRUPT PRACTICES. AT A CONGRESSIONAL HEARING LAST FRIDAY DEPUTY SECRETARY OF STATE ROBERT INGERSOLL SAID THAT THE UNITED STATES WILL PUT ITS PROPOSAL BEFORE THE UNITED NATIONS COMMISSION ON TRANSNATIONAL CORPORATIONS, NOW MEETING IN LIMA, PERU.

THE PROPOSED INTERNATIONAL AGREEMENT WOULD FOCUS ON GOVERNMENT PROCUREMENT, AND WOULD APPLY EQUALLY TO THOSE WHO BRIBE AND

THOSE WHO REQUEST OR ACCEPT BRIBES. CRIMINAL PENALTIES WOULD BE ESTABLISHED FOR BRIBERY AND EXTORTION. AND ALL THE GOVERNMENTS CONCERNED WOULD EXCHANGE INFORMATION AIMED AT ELIMINATING CORRUPT PRACTICES. THE AMERICAN PROPOSAL REFLECTS GROWING CONCERN, NOT ONLY HERE BUT IN OTHER COUNTRIES AS WELL, ABOUT THE PROBLEM. IN FACT, THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT, MEETING IN PARIS, HAS BEEN DRAWING UP A CODE OF STANDARDS WHOSE TEXT HAS ALREADY BEEN APPROVED BY SOME TWO DOZEN NATIONS. THIS CODE, HOWEVER, WOULD BE VOLUNTARY AND WOULD RELY ON PERSUASION. THE PROPOSAL OUTLINED BY SECRETARY INGERSOLL WOULD OBVIOUSLY HAVE MORE TEETH---FOR EXAMPLE, IN FORCING DISCLOSURES OF COMMISSIONS PAID BY CORPORATIONS TO FOREIGN AGENTS.

BRIBERY IS ONE OF THE OLDEST PRACTICES KNOWN TO MAN, AND IN MANY SOCIETIES IT IS AN ACCEPTED WAY OF DOING BUSINESS. FURTHERMORE, CORPORATIONS HAVE ARGUED THAT IF THEIR COMPETITORS BRIBE, THEY MUST DO SO TO IN ORDER TO SURVIVE. THERE IS ALSO A NATURAL RESISTANCE TO DISCLOSURES OF SENSITIVE BUSINESS INFORMATION. FOR THESE AND OTHER REASONS, ESTABLISHMENT OF INTERNATIONAL CONTROLS MAY BE A SLOW AND COMPLICATED MATTER. BUT THERE IS A CLEAR NEED FOR SUCH CONTROLS. AND THE AMERICAN PROPOSAL IS A PRACTICAL FIRST STEP IN THE DIRECTION OF SECURING THE NEEDED SAFEGUARDS AGAINST WHAT APPEARS TO BE A WIDESPREAD AND DAMAGING FORM OF INTERNATIONAL CORRUPTION.